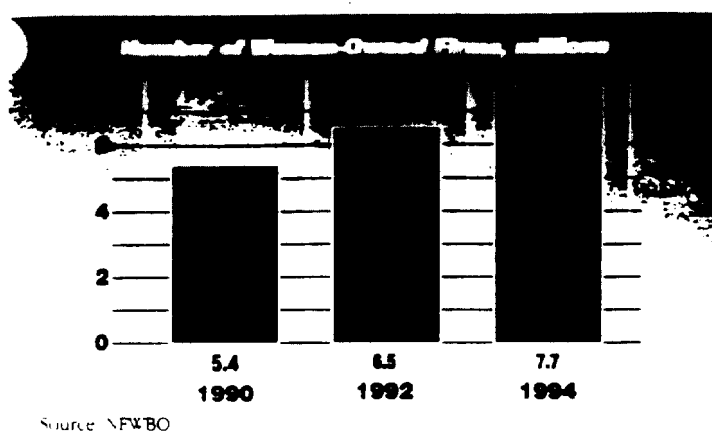
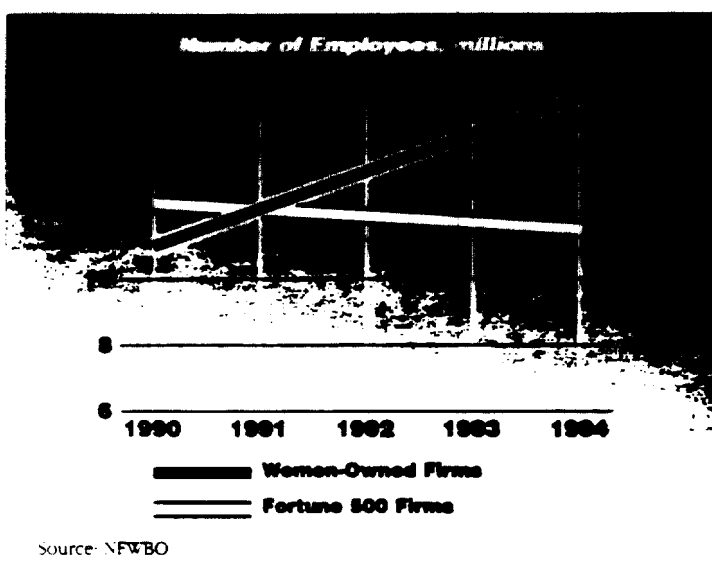


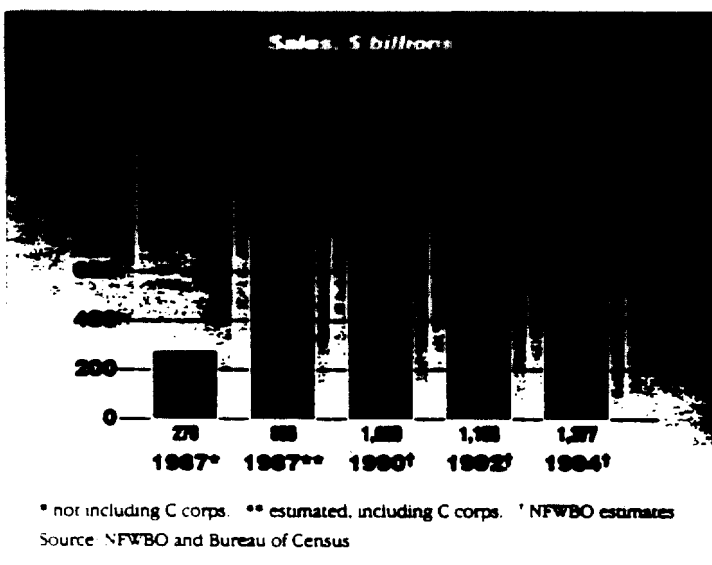
THE NUMBER OF WOMEN-OWNED FIRMS HAS GROWN 43% SINCE 1990, HAS NOW REACHED 7.7 MILLION



WOMEN-OWNED FIRMS IN THE U.S. EMPLOY 35% MORE WORKERS THAN THE FORTUNE 500 DOES WORLDWIDE



WOMEN-OWNED FIRMS CONTRIBUTE OVER \$1 TRILLION IN SALES TO THE ECONOMY



THE NUMBER OF WOMEN-OWNED BUSINESSES

In 1992, NFWBO estimated that women-owned businesses numbered 6.5 million, up from 5.4 million in 1990. Based upon projections using new information from the U.S. Small Business Administration, the Internal Revenue Service, and the Census Bureau, it is now estimated that, as of 1994, there are 7.7 million women-owned businesses in the U.S.

EMPLOYMENT

Women-owned businesses are now estimated to employ over one-third (35%) more people in the U.S. than the Fortune 500 companies do worldwide. As of 1994, these women-owned firms are estimated to employ 15.5 million people. In 1992, the NFWBO projected that, by the end of that year, employment in women-owned businesses would surpass the Fortune 500. Looking back upon that projection, it did indeed come true.

SALES

Not only are women-owned businesses growing in number and employment, but in economic power as well. In 1987, the Census Bureau reported that women-owned businesses (not including full corporations) generated \$278 billion in sales. If the sales of full corporations are added to the equation, and growth is estimated to approximate the recent trend seen among female-owned proprietorships, the sales of women-owned firms as of 1994 should be nearly \$1.4 trillion.

NURSING ALONG A NEW COMPANY



Carolyn Colby

Colby Care Nurses, Inc.

Business: Home health care services

Location: Culver City, California

Year Founded: 1988

Number of Employees: 10 full time;

150-200 temporary employees

Sales: \$3.89 million

The home health care industry has been one of the fastest growing industries over the last decade, as insurers, employers and consumers have searched for ways to cut health care costs. Carolyn Colby's seven-year-old firm, which provides patients throughout Los Angeles County with registered nurses, licensed practical nurses and home health aides, is well positioned to take advantage of the trend towards providing health care in the home.

Colby started the company after having been a vice president for one of the country's largest home health care services, where she was responsible for overseeing 45 branch offices. After three changes in ownership, she started to think about going out on her own. Another factor encouraged her to take the entrepreneurial leap. "I'm black and I'm female and in searching for other jobs, I realized that it would be difficult to get something of the same caliber. I probably would have had to start at a lower level and move up and I didn't want to do that, so I decided I'd try it on my own," she says.

Despite her experience in the industry, Colby, an R.N. who has bachelors degrees in microbiology and health care administration, as well as an MBA, found the search for capital difficult in her company's early years. "I had no concept of how difficult it was to obtain capital. I started the company just about the time the recession hit and the banks were all beginning to pull back," she says. "Even though my husband and I own a home, we had just bought it, so we didn't have equity. I went from bank to bank and they looked at me like I was crazy. They all wanted to see equity in a home. They wouldn't take my receivables, because the company was so new." So Colby turned to factoring companies — private, high-interest lenders. "Not only do they charge ridiculous interest rates but they hold a certain amount of your money in reserve all the time," says Colby.

It wasn't until 1993 that Colby finally secured a bank credit line. Today the company is thriving. She has brought down overhead in the company. "We are positioned in an excellent place to get contracts from managed care companies. A lot of my competition can't because they have higher overhead than we do." Colby is also concentrating on getting the company accredited by a national group which accredits hospitals, to give her extra leverage in negotiations with insurers. She is projecting that Colby Care Nurses' revenues will hit \$5 million in 1998.

Carolyn Colby, who last year won an award as chief executive of the year from her local chapter of the National Association of Women Business Owners, has this advice for would-be entrepreneurs: "Don't give up until you have reached where you want to go. Make a business plan and decide how you're going to get there, then do it."

DATA AND METHODOLOGY

National Estimates

To arrive at the national estimates of the number of women-owned firms, their employment and their sales, NFWBO gathered published information from the U.S. Bureau of the Census, the U.S. Small Business Administration (SBA), and the Internal Revenue Service (IRS).

To determine the estimated number of women-owned firms in the U.S., Bureau of Census data on women-owned firms (which does not include full corporations) from 1982 and 1987 and information from the IRS published annually by the SBA on the total number of firms and on sole proprietorships (including women-owned sole proprietorships) from 1981 to 1991 were used. 1990-91 proprietorship growth rates¹ were projected forward to 1994, and assumed to be the same among partnerships and corporations. The total number of women-owned firms was then calculated, assuming that the relative share of proprietorships, partnerships and corporations among all firms as of 1993 would hold true for women-owned firms as well. This estimate was then adjusted downward to reflect the difference between the IRS definition of a business (any entity which files a tax return) and the Census definition (any business with at least \$500 in receipts).

The estimates for employment used the 7.7 million women-owned firm estimate as a starting point. Taking the Census' 1987 share of women-owned employer firms to the total (15%), making the assumption that the share would increase to 20% when full

corporations are included in the population, and leaving the average number of employees per firm (5.02) the same as it was in 1987, the estimated number of people employed by these 7.7 million women-owned businesses was calculated.

The projection of \$1.37 trillion in business sales was made using annual reports of women-owned sole proprietorship receipts and the 1982 and 1987 Census data. Assuming that the share of total receipts accounted for by sole proprietorships would drop from 17.21% (1987 Census share) to 10% when full corporations are included in the population, recent proprietorship receipt growth² was projected forward to 1994, and adjusted according to the above assumption.

The DBIS Project Database

The detailed data on commercially active firms in the U.S., which are the basis of the remaining analysis in this report, are derived from the proprietary databases of Dun & Bradstreet. Dun & Bradstreet Information Services (DBIS) maintains databases that include information on about 18 million firms in the U.S. A subset of that database, the Dun's Market Identifier (DMI) file was used for this analysis. The DMI file currently contains over 10 million records, and is used both because the records in the file contain relatively complete and current information, and because the firms contained in the file are determined to be "commercially active," that is, involved in credit and other financial transactions.

The DMI file was further filtered for this analysis to exclude non-headquarters establishments, so that company subsidiaries and

¹ 1990-91 trends were used because they were more conservative than past 3-year or 5-year trends.

² 1990-91 growth trends.

branches or divisions would not be double counted. Also excluded were certain Standard Industry Classification (SIC) codes—public administration and government entities, religious organizations, private households, museums, schools and hospitals. After these firms were excluded, the for-profit business database used for this analysis contained nearly 8.5 million U.S. firms in total, and over 800,000 firms identified as woman-owned or managed. The file contained information on business size, industry, location, age of business, sales, credit, payment history and other financial information.

Dun & Bradstreet identifies a business as woman-owned or managed if there is a female name in any of several corporate executive management positions. For this analysis, we restricted the definition to include only those businesses for which a woman held the following positions: President, Owner, Co-Owner, Chief Executive Officer, Chairman of the Board, Partner. It is therefore likely, but not completely certain, that the business is owned or managed on a day-to-day basis by a woman.

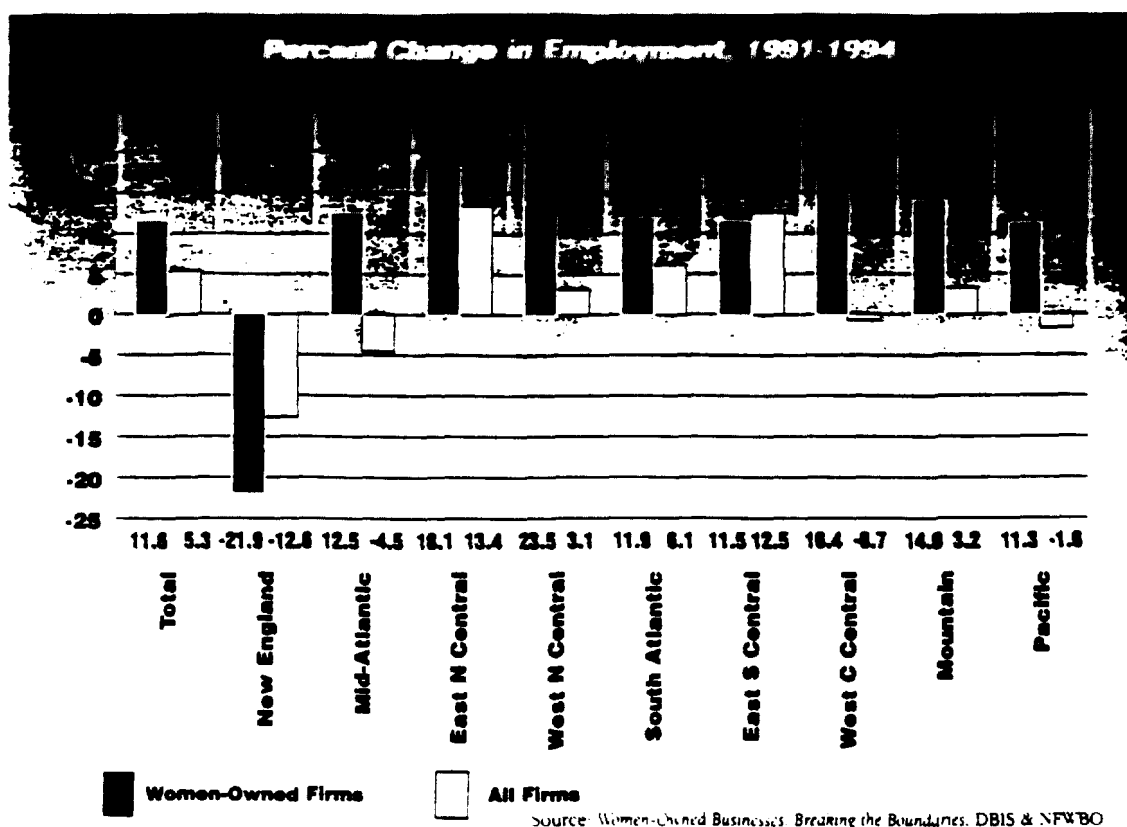
The DMI files that were filtered as described above were dated August 1994 and August 1991. The same months were used to avoid any seasonality effects.

DETAILED FINDINGS: COMMERCIALLY ACTIVE WOMEN-OWNED FIRMS

Dun & Bradstreet's database of commercially active firms in the U.S. is a rich source of detailed information on over 10 million businesses nationwide, including nearly 1 million women-owned firms. The value of this database comes not only from its coverage of the most commercially active firms in the nation and the breadth of information about those businesses, but in the ability to perform longitudinal analysis of

changes over time. After the adjustments described in the Data and Methodology chapter, the database used for this report had approximately 8.5 million firms and over 800,000 women-owned businesses. In this report, we present both an up-to-date picture of women-owned firms across the country, with detailed information by region and state, and a dynamic portrayal of recent growth trends.

**EMPLOYMENT GROWTH IN WOMEN-OWNED FIRMS EXCEEDS NATIONAL AVERAGE
IN NEARLY EVERY REGION OF THE COUNTRY**



Employment and Employment Growth

As of 1994, 86.9% of the commercially active women-owned firms in the U.S. had fewer than 10 employees. Another 7.8% employed between 10 and 19 workers, and the remaining 5.3% had 20 or more employees. Among all U.S. firms in the Dun & Bradstreet database, 81.1% had fewer than 10 employees, 9.6% had between 10 and 19, and 9.3% employed 20 or more. Thus, most businesses in the U.S.—whether women-owned or not—are quite small, with women-owned firms being somewhat smaller than the national average.

What is exceptional about women-owned firms with respect to employment, however, is their more rapid rate of growth. According to government estimates, employment grew 5.3% among all firms in

the U.S., while (according to Dun & Bradstreet data) employment grew by 11.6% among commercially active women-owned firms.

Employment in women-owned firms grew at a more rapid rate than the national average in nearly every region of the country.³ Growth in employment in women-owned firms was highest—with 23.5%—in the West North Central region of the country (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota), compared to 3.1% among all firms in the region. The only region in which employment in women-owned firms actually declined from 1991 to 1994 was in New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)—down 21.9% compared with a 12.6% decline among all firms.

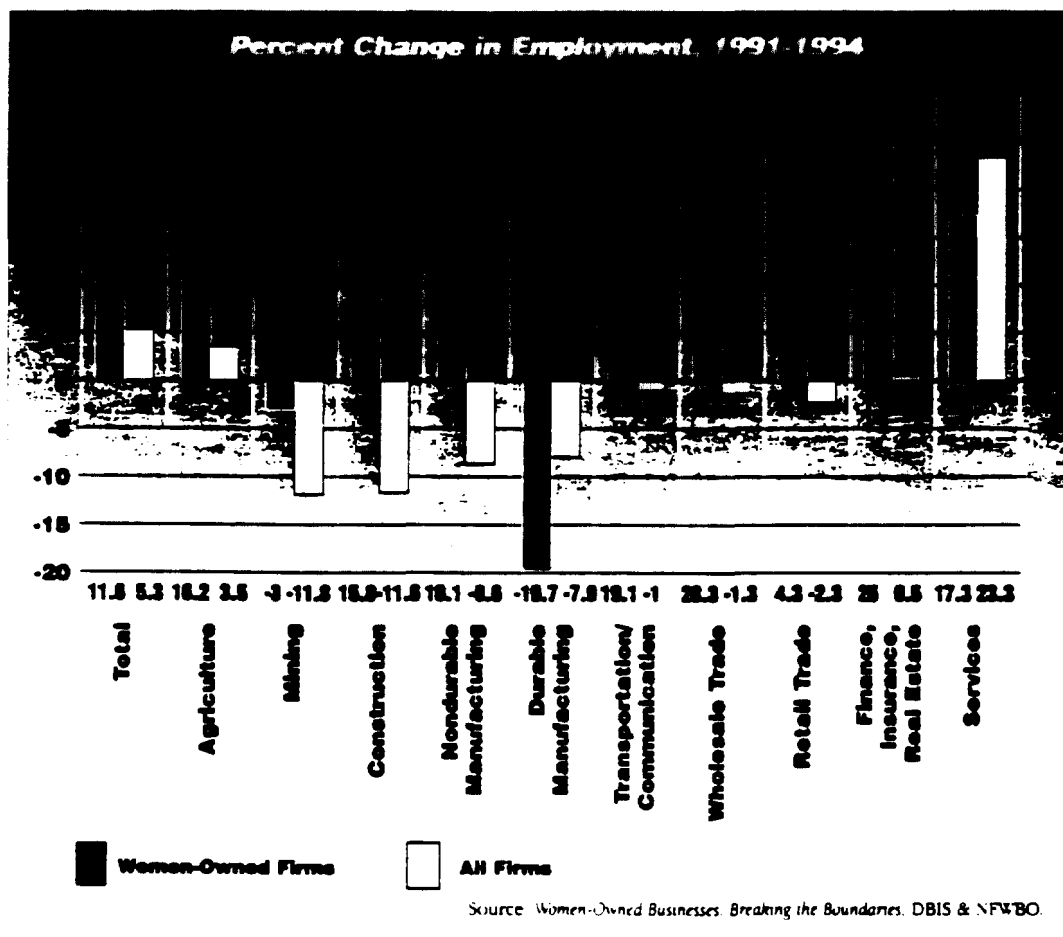
³ See page 25 for a definition of the 9 regions.

Employment growth in women-owned firms also exceeds the national average in nearly every major industry. Employment is up 28.3% in women-owned firms in the wholesale trade sector, compared with a 1.3% decline overall; up 25% in the finance, insurance and real estate sector, compared with 0.5% growth overall; up 19.1% in transportation and communication, compared to a 1% decline among all firms; up 16.2% in

agriculture, compared with 3.5% among all firms; and up 15.8% in construction versus an 11.8% decline overall.

Employment in the service sector is up strongly for both women-owned firms (17.3%) and all U.S. firms (22.3%). The only industries in which employment in women-owned firms declined between 1991 and 1994 are durable manufacturing (down 19.7%) and mining (down 3%).

EMPLOYMENT GROWTH AMONG WOMEN-OWNED FIRMS EXCEEDS NATIONAL AVERAGE IN NEARLY EVERY INDUSTRY



HELEN HODGES' CLEAN-UP CREW



Helen Hodges

Separation Systems Consultants Inc. (SSCI)

Business: Environmental consulting and construction

Location: Houston

Year Bought: 1989

Number of Employees: 24

Sales: \$3.5 million

Helen Hodges and her husband had been looking to buy a business for about a year when a broker they knew sent them information on Separation Systems Consultants. Despite her own background—she has a master's degree in chemistry and an MBA, as well as experience working as an administrator for a national laboratory and as an international consultant for an energy consulting group—she initially wasn't interested in buying a consulting business.

Still, Separation Systems had much to recommend it: it dovetailed nicely with Hodges' training and experience, and it was a profitable firm in a growing industry. So, on June 1, 1989, Hodges, who currently owns 55% of the firm, took control at Separation Systems.

Separation Systems has two divisions: environmental construction and environmental consulting. The construction business takes on projects like removing underground storage tanks, cleaning up PCB contamination and digging up Superfund sites. SSCI's consulting division assesses environmental problems for property buyers or sellers, and provides expert court testimony.

Once she was familiar with the firm, Hodges began to make changes. She instituted customer surveys to get a better idea of the firm's performance, and she secured payment and performance bonding for her company, making it eligible to bid on government work. Since taking over in 1989, Helen Hodges has grown SSCI from about \$1 million in sales to about \$3.5 million.

The biggest challenge for her? Getting the business. The environmental industry is growing, but Hodges has seen competition boom, too. "There are a lot of new entrants in the industry, especially on the consulting side. And a lot of construction companies that do other types of work are having trouble in those fields, so they're starting to do environmental work."

Hodges is conscious of her firm's culture, and has bought in a consultant to help shape that culture. "We're doing team building now," she says, "and we're having more directed discussions about what we're trying to accomplish. We have younger people who aren't as experienced in industry, and you've got to get them to understand the concept of billable time and the fact that this is a business not an academic exercise." Hodges's style is to encourage her staff to take on a lot of responsibility. "I think people are capable of a lot more than they think they are. My style is baptism by fire."

One goal of her team building: to be able to delegate more than she does now to allow her time to spend with her two children, ages 6 and 7.

Hodges is ambitious for her firm's future. "We hope by the year 2000 we'll have five offices. We have two now, here and in Louisiana, and we're starting an office in Florida. We want to be a \$10 million company," she says.

Industry Diversification

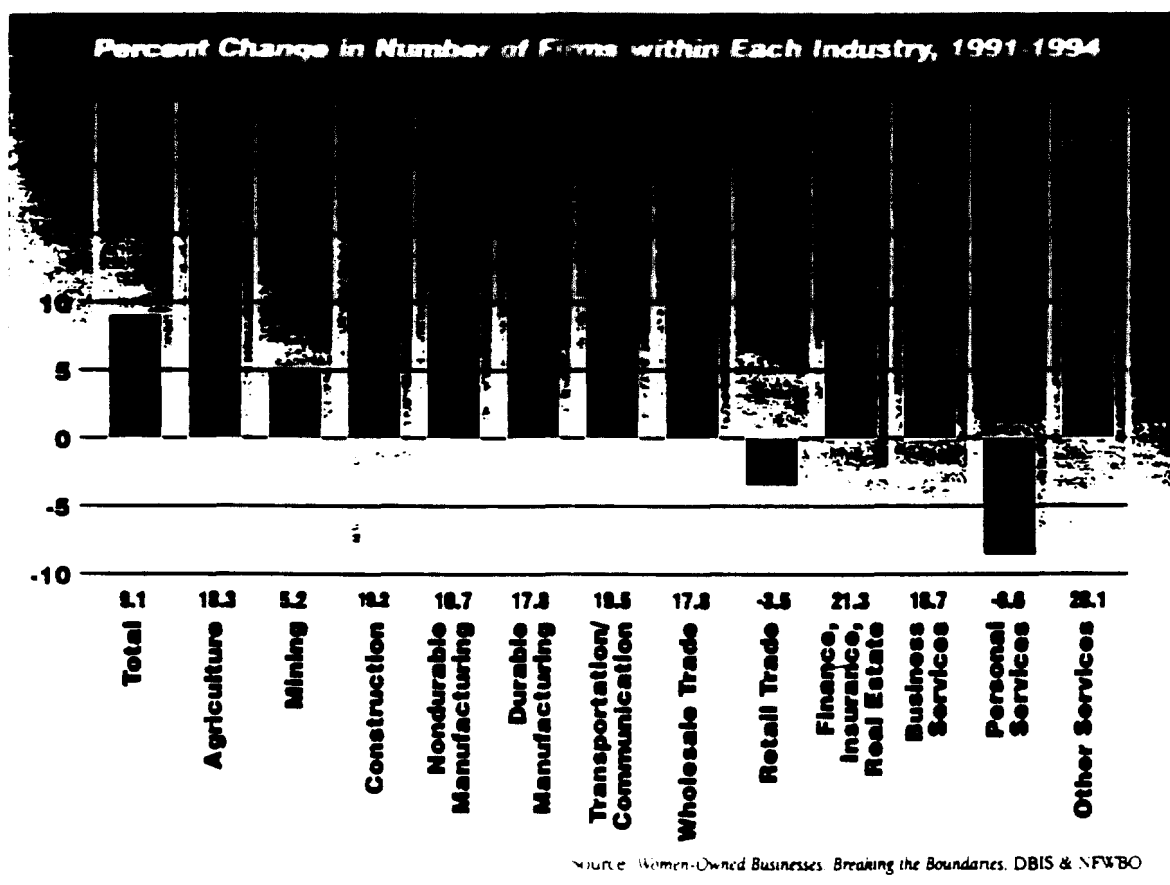
Women-owned firms are continuing to diversify, expanding into industries that have been popularly considered "non-traditional" for women. In the 1980s, women moved into wholesale trade, agriculture, manufacturing and transportation/communications at a higher rate than any other industries.

In the early 1990s, that trend toward industry diversification continued. Overall, the number of women-owned firms increased by 9.1% between 1991 and 1994. The number of women-owned firms in agriculture, mining and manufacturing grew during this period in the face of an overall

contraction in these industries. Looking both at rate of growth within each industry and across industries, women-owned businesses continue to outpace their male counterparts. In fact, the only sectors in which the number of women-owned firms declined from 1991 to 1994 was in retail trade and in personal services.

So, although the majority of firms in the U.S. — women-owned firms among them — are found in the retail trade and services sectors, women are making their mark in industries traditionally thought of as male-dominated, and their numbers are growing faster in many of these areas than are their male counterparts.

WOMEN-OWNED FIRMS CONTINUE TO DIVERSIFY INTO NON-TRADITIONAL SECTORS



THINKING OUTSIDE THE BOX



Candy Wertheimer

Quality Box & Packaging Corp. / Envision Packaging

Business: Box and display manufacturing

Location: Chicago

Year Founded: 1991

Number of Employees: 18

Sales: \$1.5 million

Thinking outside the box[®] is a creativity concept that encourages problem solvers to look beyond the obvious in fashioning solutions to difficulties. Candy

Wertheimer, owner of Quality Box, Envision Packaging, an Illinois certified woman business enterprise, has clearly done some 'outside the box' thinking.

Wertheimer first learned the corrugated box industry from her parents. After her father's death in 1980, Wertheimer and her mother continued to run the firm together. During the recession in the late 1980s, Candy Wertheimer's mother retired, customers scaled back their purchases and the company found itself with excess capacity and unable to keep its employees fully occupied.

After reviewing the company's structure and markets, Wertheimer decided to close the family business and form her own company. She made a unique arrangement with another corrugated box manufacturer. The two firms, which make different types of products and therefore aren't direct competitors, decided to share manufacturing facilities. "There are two sales organizations using one combined physical plant," says Wertheimer. Each firm has its own sources of supply, and its own sales and administrative forces, complete with separate offices, computers and telephones, but there is only one manufacturing group which operates both companies' equipment and warehouse facilities. "When I use their equipment, I rent it, and when they use mine they do the same. It's an arrangement that has worked well for four years now," she says.

Candy Wertheimer, an attorney by training, has been just as innovative in pushing her company into new business lines. Her parents' company manufactured brown boxes. Quality Box has taken this business from low-tech brown boxes to high tech solutions utilizing leading edge materials and manufacturing methods. It even makes boxes out of corrugated plastic. Its Envision packaging division designs, engineers, and manufactures marketing kits, presentation binders, software and video packaging and counter and floor displays using both traditional materials and innovative materials like holographic foils.

To boost Quality's specialty work, Wertheimer has a design center with two designers, a CAD system and an automated sample maker. One of Quality Box's customers is a musical instrument manufacturer. Not only did Wertheimer's firm devise special boxes to accommodate the manufacturer's cellos and basses, but it also designed new display packaging, which will be showcased in music stores. A large insurance company asked Quality to not only manufacture boxes, but also take responsibility for implementing a just-in-time stocking program and designing new packaging. Quality took on the assignment.

"It's an exciting time," says Wertheimer. "Customers from all over the country are challenging me to develop new packaging ideas, while suppliers are approaching me with new materials." Wertheimer and her firm are prospering by refusing to be boxed in.

Financial Strength

Based on an analysis of the financial information collected by Dun & Bradstreet on payment history and other indicators, women-owned businesses are found to be just as financially strong as all U.S. firms, with similar records of bill payment, similar credit risk and similar risk of failure.

Dun & Bradstreet's Financial Stress Score is an indicator that uses statistical modelling to predict the likelihood of a business experiencing financial difficulty or failing in the coming 18 months. It ranks businesses on a five-point scale, ranging from 1 (low financial stress, not likely to experience financial difficulties) to 5 (high stress, greater likelihood of going out of business).

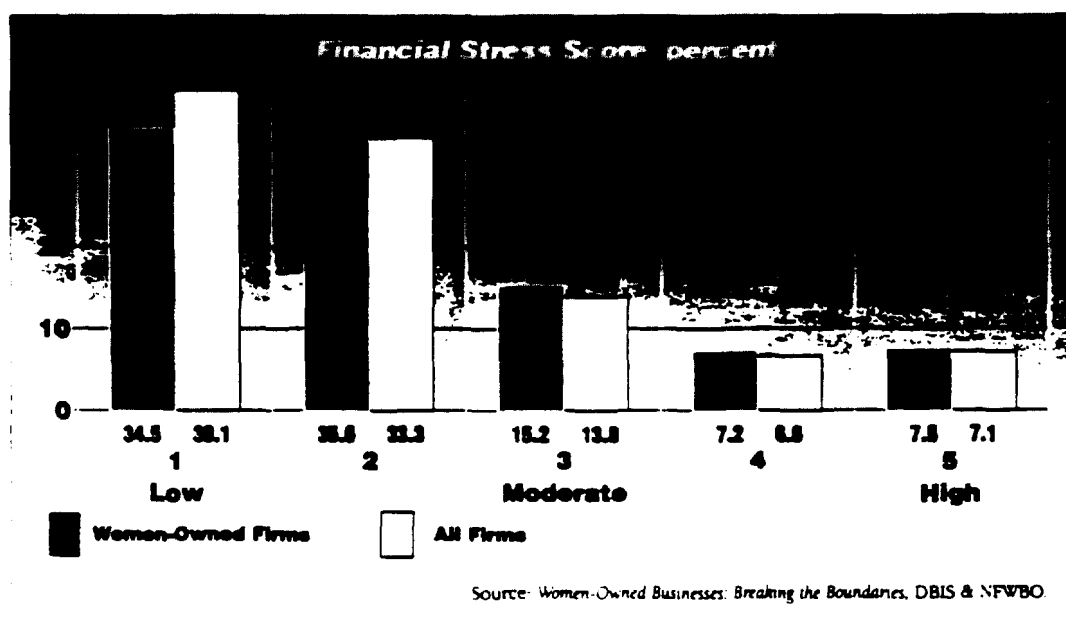
According to the Dun & Bradstreet Financial Stress Score, 86% of all commercially active businesses in the U.S. are under low to moderate financial stress, meaning that they are in relatively little danger of encountering financial difficulty. Another 7% of firms are under a moderately high level of financial

burden, and 7% are encountering a high degree of financial difficulty, and are in danger of going out of business.

Commercially active women-owned firms achieve scores on this Financial Stress Score similar to all U.S. firms, meaning that they are at no significantly greater risk of closing their doors than the average business.

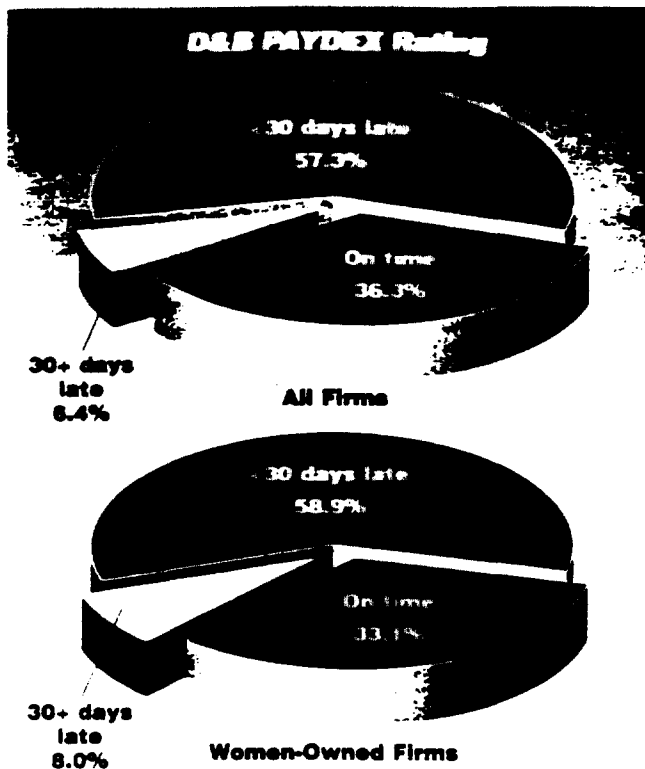
This finding is significant, since access to capital for business start-up and growth is of critical importance to all U.S. businesses. Research by the National Foundation for Women Business Owners* has shown financing to be one of the biggest obstacles faced by women business owners. And, unfortunately, women often find it harder to obtain financing for their businesses. While some of the difficulty faced by women in obtaining financing may be due to the nature of their business (service-oriented as opposed to goods-producing) or lack of business history, many women report that financial institutions view them and their businesses as a greater credit risk merely by virtue of their gender.

WOMEN-OWNED FIRMS ARE AS FINANCIALLY SOUND AS ALL U.S. FIRMS



* National Foundation for Women Business Owners, *Financing the Business: A Report on Financial Issues From the 1992 Biennial Membership Survey of Women Business Owners*, October 1993.

WOMEN-OWNED FIRMS ARE AS LIKELY TO PAY BILLS ON TIME AS ALL U.S. FIRMS.



Source: Women-Owned Businesses: Breaking the Boundaries. DBIS & NFIBO

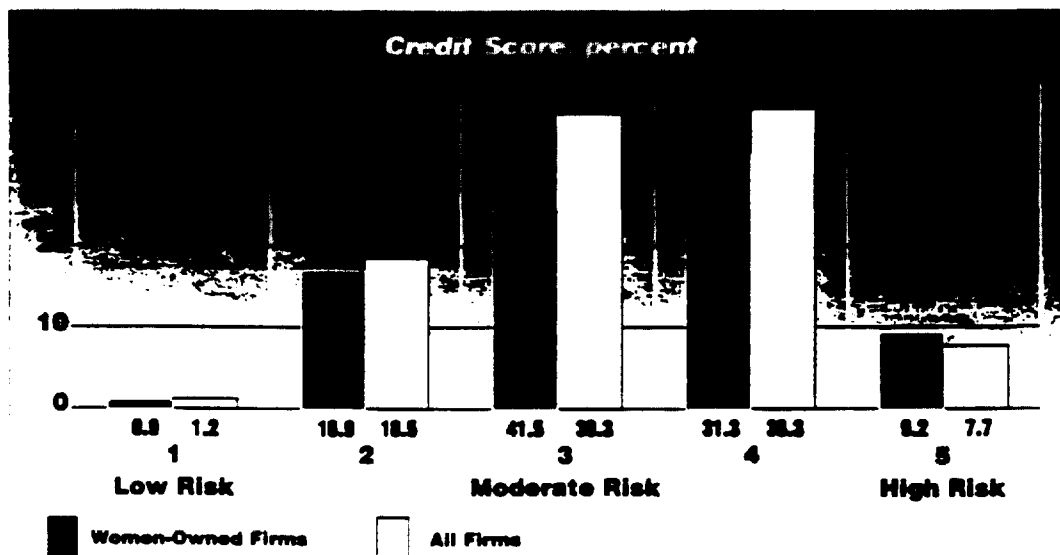
Women-owned firms are also found to have payment records very similar to the average U.S. business. According to Dun & Bradstreet's PAYDEX⁴ rating, which is a measure of how promptly a firm has been paying its bills, just over one-third of both women-owned firms (33.1%) and all U.S. firms (36.3%) pay their bills largely on time. A sub-

stantial number (58.9% of women-owned firms and 57.3% of all U.S. firms) pay their bills within 30 days of their due date, and the remainder (8.0% of women-owned firms and 6.4% of all U.S. firms) pay their bills 30 days or more after they are due.

The Dun & Bradstreet Credit Score is a statistically-derived measure of the likelihood that a firm will, in the coming year, be delinquent in paying its bills. As a predictor of future credit risk, the Credit Score takes into account a firm's past payment experience as well as a wide range of other economic and financial factors. Less than 10% of women-owned firms are in the highest risk class on the Credit Score; 40.5% are in the two highest risk classes. That is actually somewhat less than the 44% of all U.S. firms that are in the two highest risk classes.

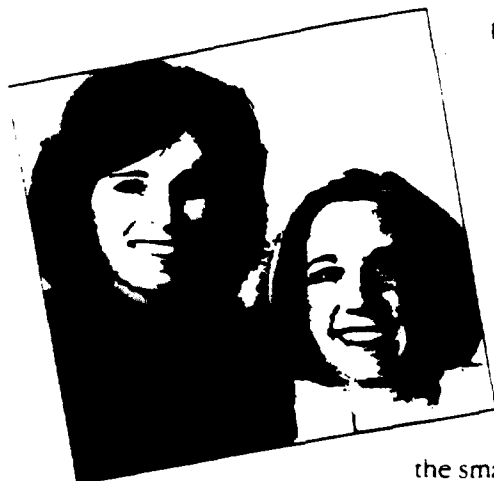
What these ratings show is that based on three broad measures of financial performance and risk—promptness in paying bills, credit risk and the risk of going out of business—women-owned businesses are as financially sound and creditworthy as the typical U.S. business. There is little, if any, additional "risk" in doing business with and extending credit to women-owned firms.

FEWER WOMEN-OWNED FIRMS ARE IN HIGHER CREDIT RISK CATEGORIES



Source: Women-Owned Businesses: Breaking the Boundaries. DBIS & NFIBO

STITCHING UP A SUCCESSFUL BUSINESS



Kathy Lutz and Barbara Traub

Wrapport, Ltd.

Business: Custom-made clothing

Location: Red Bank, New Jersey

Year Founded: 1993

Number of Employees: 2 part-time employees

Sales: \$75,000 to \$90,000

Kathy Lutz and Barbara Traub, owner-partners of Wrapport, Ltd., a custom clothing company, are creating their own version of a garment district in

the small town of Red Bank, New Jersey.

The two met several years ago, when they worked and taught sewing classes together at a local fabric store. They began collaborating on making cashmere capes and evening shawls out of fine fabrics. "We found there was a great market for very simple nice clothes," says Barbara Traub, a former home economics teacher. They started out slowly, gradually adding items to their line and doing home shows and upscale craft shows to sell their clothes. Then in March, 1993, the two rented studio space where they showcase their samples and fine fabrics.

"We use nice washable silks which can go from day to evening to office," says Traub. "We have jackets, tank tops, skirts and pants. Depending on the fabric you choose, you can dress it up and down."

Wrapport has cultivated a devoted group of customers. "We keep track of what customers have bought and when we shop for fabrics we keep in mind what our customers already have to help them coordinate a wardrobe," says Kathy Lutz. The prices of the clothes are at the level of better department stores.

The business is still in its infancy, and Traub and Lutz are currently looking for financing. "Right now we're starting the process of going through the SBA. We are putting together a business plan, and learning about all the paperwork that has to be done," says Traub. The two have invested their own funds in the venture, and have finally been able to convince fabric manufacturers to extend credit. "Before that we had to pay cash for fabric or put it on American Express," says Lutz.

Expansion of the business is a high priority. Most of Lutz and Traub's customers come to them via recommendations, but the two have put together their first press kit, and are stepping up advertising. Wrapport has hired two part time workers to help with sewing, and has started carrying fine fabrics by the yard for customers who sew. The women are also hoping to move to a larger and more prominent location within five or six months. Their partnership allows them to coordinate schedules and carve out some precious time with their families (Kathy Lutz has four children; Barbara Traub has two children).

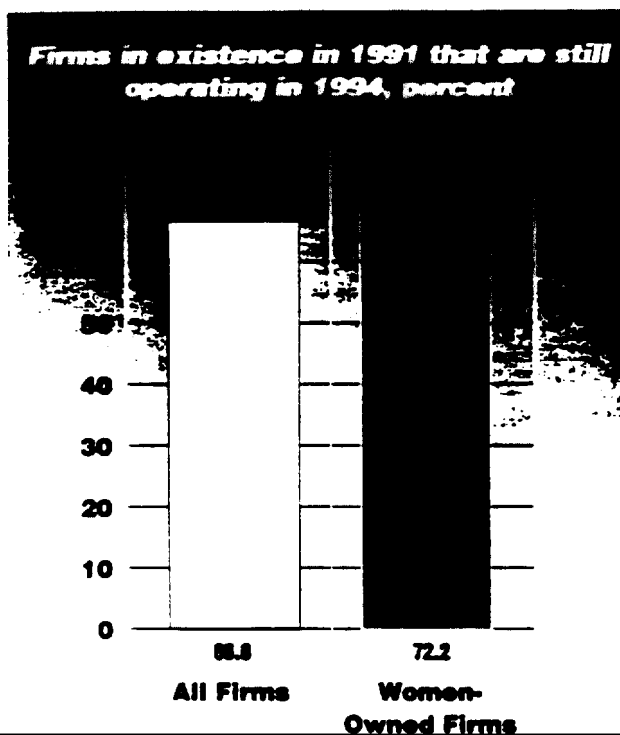
Despite the demands of a growing business, Wrapport's proprietors still get a chance to immerse themselves in the part of their work they really enjoy: the creative end. "What we really love is coming up with ideas in the studio, getting out to do fashion shows, and shopping for fabrics," says Lutz. "We like putting the pieces together." By carefully and imaginatively putting the pieces of their business together, Wrapport's partners have tailored a promising future for themselves.

Growing Maturity

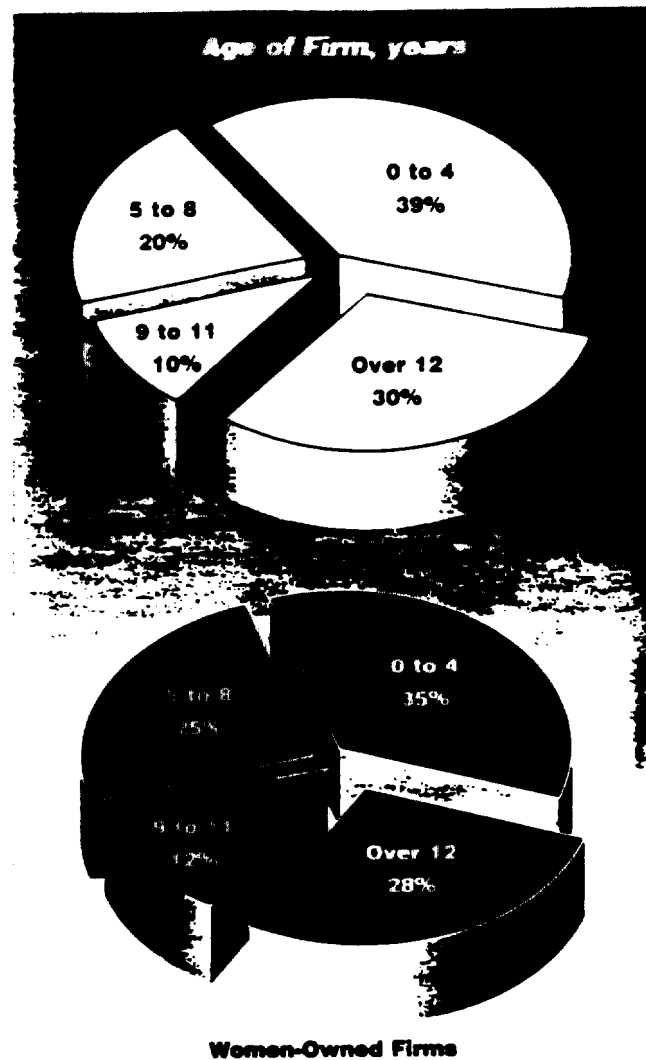
Women business owners have staying power. They are actually **more likely** to have remained in business in the past three years than the average U.S. firm. Nearly three-quarters (72.2%) of the women-owned firms in existence in 1991 are still in business today, compared to a lesser two-thirds (66.8%) of all businesses in the U.S.

Women-owned businesses are no longer a new phenomenon. In fact, the average age of women-owned firms is approaching that of all U.S. firms. Just over one-third of com-

WOMEN-OWNED FIRMS HAVE TENACITY: TWO-THIRDS OF ALL FIRMS IN EXISTENCE IN 1991 ARE STILL OPERATING TODAY; THREE-FOURTHS OF WOMEN-OWNED FIRMS ARE STILL OPERATING



THE AGE OF WOMEN-OWNED FIRMS IS APPROACHING THAT OF ALL U.S. FIRMS.



Source: Women-Owned Businesses: Breaking the Boundaries. DBIS & NFIBO

mercially active women-owned firms (35%) are less than 4 years old, compared to 39% among all economically active U.S. firms. At the other end of the age spectrum, 28% of women-owned firms have been in business 12 years or more, compared to 30% of all

TRAINING—AND TRANSFORMING—WORKERS



Pam Del Duca

Delstar

Business: Retail speciality stores

Location: Phoenix

Year Founded: 1972

Number of Employees: 157

Sales: \$15 million

Pam Del Duca mixes business with a heavy dose of social consciousness. A former high school physical education teacher and waitress, she started a specialty retail shop in 1972, selling gifts and home accessories. By 1989, her company had grown to include eight stores, including two shops in the Phoenix airport. That year the airport was opening a new terminal, and Del Duca submitted a proposal for the concession.

But Delstar's proposal had a twist. She had forged an alliance with three local nonprofits, Chicanos por la Causa, the Phoenix Indian Center and the Phoenix Urban League. The groups agreed to help her recruit job candidates and in return, receive a percentage of annual gross sales for ten years. Delstar provides the recruits with extensive training. "I wanted to make a difference," says Del Duca. Today some 47% of her employees are minorities.

When her airport store proposal got a green light, Del Duca hired a full time educator. Together they devised an extensive training program for the recruits, many of whom had never successfully held down a job. Delstar teaches recruits everything from how to use the cash registers to life skills such as budgeting and balancing their own checkbook. The classes have sometimes been a lesson in the cultural differences that can handicap minority employees. Del Duca once spoke to a group about the importance in retail of greeting customers and looking people in the eye. One of the new recruits, an Indian woman, came up to her afterwards and said, "Pam, you don't understand. This is not part of our culture. I was taught not to look directly at someone." The woman had always heard that looking someone in the eye was overly aggressive. Del Duca told the woman that a customer needs to trust a sales associate, and this was a way to build trust. The woman went on to become one of the firm's highest grossing sales associates.

Delstar's training programs go beyond entry level skills. The trainer teaches supervisory and management skills, and Delstar began a small business entrepreneurial training program. A handful of ex-employees have started their own full-time businesses, including a jewelry business and a visual display company.

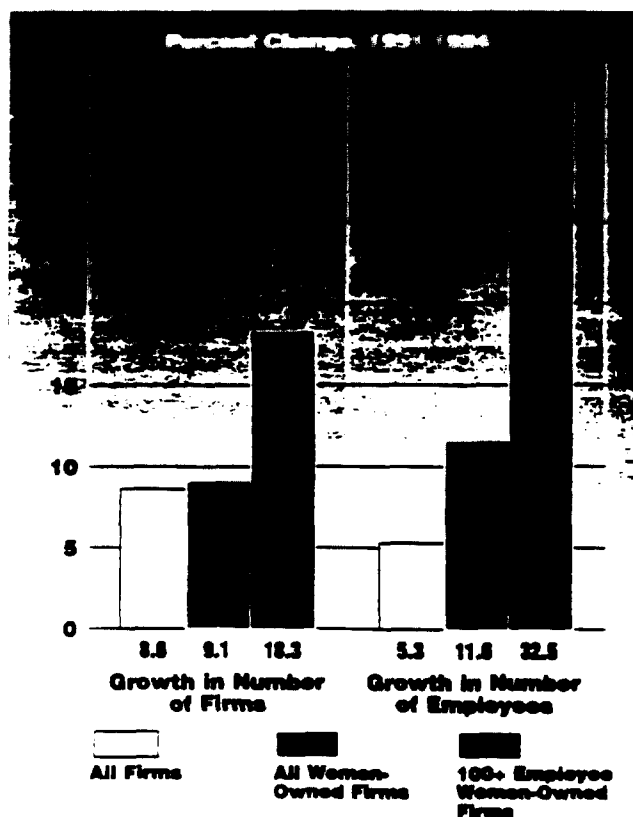
Del Duca's empire has now grown to 17 specialty stores, including five in the San Francisco airport. There, she has co-signed leases on stores with a minority couple.

Del Duca's business prowess was recognized last year when Delstar was awarded the "Best of America" small business award by the National Federation of Independent Business Education Foundation and Dun & Bradstreet Information Services. Pam Del Duca once served on a committee with a venture capitalist who advised her against pursuing community work. "He told me, 'I guarantee you can't do it. It's going to take you away from the focus of your business,'" she says, "but I told him I can't imagine not doing it."

100+ Employee Firms

Since women-owned businesses are growing older, many are also growing larger. Women-owned firms with 100 or more employees, though still less than 1% of the business population, are growing more visible and playing a more important role in the economy.

WOMEN-OWNED FIRMS WITH 100+ EMPLOYEES ARE GROWING FASTER IN NUMBER AND EMPLOYMENT



Source: Women-Owned Businesses: Breaking the Boundaries, DBIS & NFWBO.

Over the past three years, the number of commercially active firms in the U.S. has grown by 8.6% and the number of commercially active women-owned firms in the U.S. has grown by 9.1%. However, during that same time period, the number of women-owned firms with 100 or more employees has grown by 18.3%.

Employment in these larger firms has also increased substantially more than the national average. From 1991 to 1994, employment in all businesses in the U.S. rose by 5.3%, and among women-owned firms it increased by 11.6%. Among women-owned firms with 100 or more employees, employment increased by a substantial 32.5% from 1991 to 1994.

Where are these fast-growing firms? An analysis of the women-owned firms with 100 or more employees shows that such firms are more likely than the average woman-owned business to be located in the Mid-Atlantic or East North Central states, and somewhat less likely to be located in the West South Central or Mountain states.

When industry distribution is examined, it is clear that women-owned 100+ employee firms tend to be more concentrated in manufacturing—both durable and non-durable—and in the business services and other services sectors. They are less likely to be in either retail trade or personal services.

Being a 100+ employee firm does not make a company more immune to financial forces. Fifteen percent (15%) of larger firms owned by women are currently experiencing high financial stress, which is similar to the 14% of women-owned firms with fewer than 100 employees.

Compared to smaller firms, women-owned firms with 100 or more employees are somewhat less likely to pay their bills 30 or more days late, but are somewhat more likely to pay them up to 30 days late. Larger firms may have more payables to juggle, and appear more apt to use their "30-day float."

COMPUTER NETWORK COUPS



Computer Network Coups

Kavelle Bajaj

I-Net, Inc.

Business: Computer services

Location: Bethesda, Maryland

Year Founded: 1985

Number of Employees: 2,570

Revenues: \$230 million

In only ten years, Kavelle Bajaj has taken her computer networking company from a start-up operation to one that grosses nearly a quarter billion dollars a year. "As I've told many people, mine is a kitchen-to-the-boardroom story," she laughs.

Kavelle Bajaj emigrated from India after her parents arranged for her to marry Ken Bajaj, a computer scientist who had also moved to the US from India. She set up housekeeping in suburban Maryland and began raising their two boys. But she tried out a few jobs—including a short stint as an Avon lady — and was taking computer science courses when she decided to start a business. It was early on in the PC revolution, and it was still unclear what direction the industry would take. "When I started, people were still wondering if PCs were going to make it. Companies had mainframes and there was talk of mini-computers, but I envisioned that there would be a PC on every desk, and they wouldn't be operated on a stand-alone basis. I decided there was a future in this," she says. So she started I-Net to design and maintain computer network systems with \$5,000 in seed money from her husband. (Ken Bajaj joined the firm in 1988 and was made president last year.)

Bajaj shrewdly wasted no time in getting her business certified as a minority business, which enabled I-Net to participate in government business development programs. I-Net has done work for the Department of Defense, the National Oceanic and Atmospheric Administration and the Department of Health and Human Services.

But even then, she knew she would have to prepare to wean the company away from those programs as the firm grew. And I-Net did grow—quickly. Revenues grew from \$23 million in 1990 to \$147 million in 1993. Last year sales hit \$230 million. Though the firm no longer qualifies for minority programs, it continues to do a large amount of work for government and quasi-governmental agencies under normal competitive bidding guidelines. Meanwhile, the company continues to add commercial clients. One recent contract coup: a division of Halliburton, the large energy company. Bajaj hopes that by 1996, 50% of I-Net's revenues will come from commercial clients.

As I-Net has grown, so has its need for capital. Up until 1994, Kavelle Bajaj relied largely on bank lending. However, it became clear to her that she needed outside investment. So last year she did a private placement of some of I-Net's stock with five investment funds associated with the prestigious Goldman Sachs. Bajaj retains a majority of the stock, but the cash infusion will help with global expansion. The placement also positions her for a milestone she hopes to reach within the next year or two: a public offering of I-Net's stock.

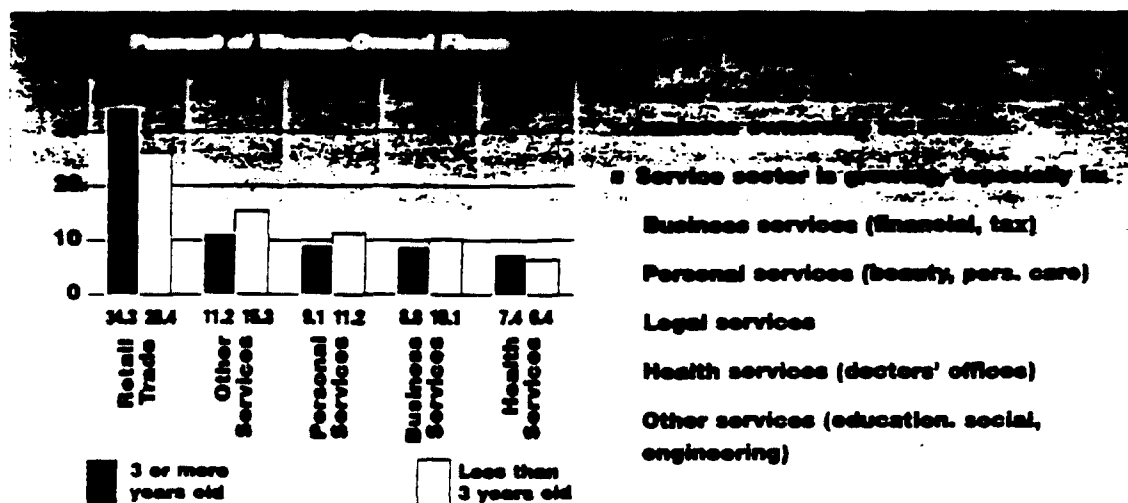
Bajaj reports that Wall Street women in particular have shown great interest in I-Net. "I've talked to a number of analysts who are women and they're excited to see a woman-owned firm taking this route," she says.

Hot Growth Areas for Women-Owned Firms

It is clear that women-owned firms are found in every region of the country and in every industry sector. However, the past few years have seen profound changes in our national and world economies. To see how these changes have affected patterns of business ownership among women, we have compared the industry profile of women-owned firms that started prior to 1991 with those that started between 1991 and 1994. Several interesting trends have emerged from this analysis.

Within more detailed industry groupings, the areas that have shown growth in the past few years include: within personal services—beauty shops and personal care services; within health services—doctor's offices; within business services—financial and tax services; within other services—legal services. It appears that there has been an increase in the number of professional women going into business. More and more female doctors, lawyers and accountants are channeling their energies toward entrepreneurship—setting up their own practices rather than joining larger firms.

MORE AND MORE PROFESSIONAL WOMEN ARE STARTING THEIR OWN BUSINESSES



Source: Women-Owned Businesses: Breaking the Boundaries, DBIS & NFWBO.

First of all, fewer women are going into retail trade. Among the women-owned firms that are at least three years old, 34.3% are in retail, while only 26.4% of the women-owned firms started after 1991 are in retail. Conversely, there has been significant growth in the service sector—especially in business services, personal services, and other services (which includes legal, educational, social and engineering services).

One of the hottest growth trends in the past several years has been the growing "professionalization" of women-owned busi-

MARKETING TO THE MELTING POT



Ivonne Montes de Oca

The Pinnacle Company

Business: Advertising and public relations

Location: San Jose, California

Year Founded: 1991

Number of Employees: 4

When businesses or governmental agencies in the San Francisco Bay area need help in reaching ethnic or Spanish speaking consumers, they often turn to The Pinnacle Company. The firm, which was founded and is owned by Ivonne Montes de Oca, specializes in analyzing a client's message and figuring how best to reach a multicultural audience. Pinnacle's clients have included organizations such as the City of San Jose, California Security Bank, and the San Jose Mercury News.

Ivonne Montes de Oca's background allows her to bring a unique perspective to her business. A native of Mexico, Montes de Oca lived in Caracas, Venezuela for twelve years. While there she worked in marketing and promotions, and was marketing director for Latin America for the Estee Lauder company. She came back to the United States when her husband's work transferred them to California, and Ivonne went to work in marketing in the U.S. Originally she started a communications company with a partner, but after a few years, she decided she wanted the sole authority that owning her own business would give her. Four years ago she founded Pinnacle.

Her broad experience in marketing and her exposure to other cultures gives Montes de Oca insight into what strategies can reach a minority audience. A recent campaign Pinnacle handled for the City of San Jose is a case in point. The city wanted to boost its recycling program in the Latino community. Pinnacle designed a multi-media campaign, in Spanish, that used radio, television and print advertising. "I decided to target the women in the household," she says. "I knew that if they bought into the message, the rest of the family would follow. The Latino community is very focused on the next generation, so our message was that the planet is our home and we must save it for our children." As a result of that campaign, the city figures that recycling in the targeted communities increased by 51%.

Montes de Oca is now concentrating on securing larger and longer-term contracts, and is determined to demonstrate that her firm, while it excels at reaching minority groups, also works magic with messages aimed at the population at large.

Pinnacle now has four employees, including a creative director. As the firm grows, Montes de Oca will add staff, but is wary of signing on workers too soon. "At the beginning, I brought in personnel to show we had the capability to do certain size jobs, and it took longer than I thought for the actual dollars to start rolling in." Her solution now is to identify personnel in anticipation of the day when she'll need them.

In the meantime, she finds entrepreneurial life endlessly intoxicating. "In a large company, you are a peg. Unless you are a senior executive you have very little say. Someone else sets policies and direction. Running your own company is the opposite. You have an enormous amount of freedom. It's very scary in the beginning but you survive. And your adrenalin is always going."

LOOKING FORWARD

The future looks even brighter than it has up to now for women-owned firms across the country. Women have been at the forefront of the movement to a service-based economy. The Bureau of Labor Statistics projects that the industries to watch from now into the 21st Century will be business and health services, and women-owned businesses are among the fastest growing in those sectors.

Now the area to watch, as the



importance of information-based businesses increases, is in the area of information technology: the collection, distillation, organization and dissemination of information. Businesses that help consumers and other businesses make sense of information are sure to be an important key to economic growth into the next century. Women-owned firms are poised to make a significant contribution in this area as well.

RESEARCH PATRONS

A special thanks to these companies and individuals whose support has helped make possible this update to the national statistics on women-owned businesses.

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Regional Definitions

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Mid-Atlantic: New Jersey, New York, Pennsylvania

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin

West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia

East South Central: Alabama, Kentucky, Mississippi, Tennessee

West South Central: Arkansas, Louisiana, Oklahoma, Texas

Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming

Pacific: Alaska, California, Hawaii, Oregon, Washington

1. Share of Women-Owned Firms by Employment Size and Region/State: 1991 and 1994

Region/State	Employment Size Class						
	1-9	10-19	20-49	50-99	<100	100-499	500+
Total U.S.							
1994	86.9	7.8	3.8	1.0	99.4	0.5	0.06
1991	87.5	7.4	3.6	0.9	99.5	0.4	0.05
New England							
1994	87.6	7.4	3.7	0.9	99.5	0.5	0.05
1991	87.2	7.5	3.8	1.0	99.5	0.5	0.04
Connecticut							
1994	87.4	7.7	3.3	1.0	99.4	0.5	0.04
1991	86.4	8.3	3.9	0.9	99.5	0.5	0.03
Maine							
1994	90.3	5.7	3.0	0.6	99.6	0.3	0.04
1991	90.4	5.9	2.7	0.8	99.8	0.2	0.04
Massachusetts							
1994	86.5	7.8	4.2	0.9	99.4	0.5	0.06
1991	86.6	7.6	4.1	1.1	99.4	0.5	0.03
New Hampshire							
1994	88.4	7.0	3.5	0.7	99.6	0.4	0.00
1991	88.1	7.0	3.6	0.8	99.6	0.4	0.04
Rhode Island							
1994	86.9	7.4	4.2	1.0	99.4	0.5	0.06
1991	86.3	7.8	4.2	1.1	99.4	0.5	0.13
Vermont							
1994	89.7	6.5	3.0	0.6	99.7	0.3	0.04
1991	89.2	7.1	2.9	0.5	99.7	0.2	0.04
Mid Atlantic							
1994	86.9	7.7	3.8	0.9	99.4	0.5	0.08
1991	86.9	7.6	3.9	1.0	99.4	0.6	0.07
New Jersey							
1994	86.4	8.2	4.0	0.8	99.4	0.6	0.07
1991	86.1	8.2	4.1	0.9	99.3	0.6	0.07
New York							
1994	87.2	7.4	3.8	0.9	99.3	0.6	0.10
1991	87.1	7.5	3.8	1.0	99.3	0.6	0.08
Pennsylvania							
1994	86.7	8.0	3.8	0.9	99.4	0.5	0.06
1991	87.0	7.5	4.0	0.9	99.5	0.5	0.06

1. Share of Women-Owned Firms by Employment Size and Region/State: 1991 and 1994

Region/State	Employment Size Class						
	1-9	10-19	20-49	50-99	<100	100-499	500+
East North Central							
1994	85.8	8.3	4.1	1.1	99.4	0.6	0.06
1991	87.0	7.7	3.8	1.0	99.5	0.5	0.04
Illinois							
1994	85.9	8.2	4.2	1.0	99.3	0.7	0.07
1991	86.6	7.9	3.8	1.0	99.4	0.6	0.05
Indiana							
1994	84.8	9.0	4.4	1.2	99.4	0.5	0.04
1991	87.1	7.5	4.0	1.0	99.6	0.4	0.04
Michigan							
1994	86.7	8.0	3.7	1.0	99.4	0.6	0.05
1991	87.4	7.6	3.5	1.0	99.5	0.5	0.03
Ohio							
1994	85.3	8.5	4.4	1.2	99.4	0.5	0.05
1991	86.9	7.5	4.0	1.1	99.5	0.4	0.04
Wisconsin							
1994	85.8	8.4	4.2	1.1	99.4	0.5	0.10
1991	87.2	7.8	3.7	0.9	99.5	0.4	0.04
West North Central							
1994	87.5	7.3	3.7	1.0	99.5	0.4	0.06
1991	88.9	6.6	3.2	0.9	99.7	0.3	0.03
Iowa							
1994	89.2	6.4	3.1	1.0	99.7	0.3	0.03
1991	91.2	5.4	2.4	0.9	99.8	0.2	0.01
Kansas							
1994	87.8	7.5	3.6	0.7	99.6	0.3	0.12
1991	89.0	7.1	3.1	0.5	99.8	0.2	0.01
Minnesota							
1994	86.0	8.2	4.0	1.1	99.4	0.6	0.09
1991	87.6	7.3	3.5	1.0	99.5	0.4	0.07
Missouri							
1994	86.8	7.6	4.2	1.0	99.5	0.5	0.03
1991	87.8	7.1	3.8	0.9	99.6	0.4	0.02
Nebraska							
1994	87.6	6.9	3.7	1.3	99.6	0.4	0.04
1991	89.2	6.1	3.3	1.3	99.7	0.2	0.02
North Dakota							
1994	90.2	6.6	2.5	0.5	99.7	0.2	0.09
1991	90.0	6.1	3.0	0.6	99.8	0.1	0.05
South Dakota							
1994	89.4	6.2	3.2	1.0	99.7	0.3	0.00
1991	90.4	5.9	2.7	0.8	99.8	0.2	0.04

1. Share of Women-Owned Firms by Employment Size and Region/State: 1991 and 1994							
Region/State	Employment Size Class						
	1-9	10-19	20-49	50-99	<100	100-499	500+
Utah							
1994	85.5	8.4	4.3	1.2	99.5	0.5	0.03
1991	86.7	8.2	3.5	1.2	99.6	0.4	0.05
Wyoming							
1994	89.6	7.3	2.4	0.6	100.0	0.0	0.00
1991	92.0	5.4	2.2	0.4	100.0	0.0	0.00
Pacific							
1994	86.4	8.0	4.0	1.0	99.4	0.5	0.06
1991	86.5	7.9	4.0	1.0	99.5	0.5	0.05
Alaska							
1994	88.5	7.3	3.1	0.6	99.6	0.4	0.05
1991	88.7	6.9	3.4	0.7	99.7	0.3	0.00
California							
1994	86.1	8.1	4.1	1.1	99.4	0.5	0.06
1991	86.0	8.2	4.1	1.1	99.4	0.5	0.06
Hawaii							
1994	83.8	9.7	4.5	1.1	99.0	0.9	0.03
1991	82.7	10.3	4.9	1.1	99.0	1.0	0.04
Oregon							
1994	88.0	7.3	3.4	0.9	99.6	0.4	0.06
1991	89.3	6.3	3.3	0.8	99.7	0.3	0.03
Washington							
1994	86.7	7.7	4.1	0.9	99.5	0.5	0.05
1991	87.8	7.4	3.6	0.9	99.6	0.3	0.01

SOURCE: *Women-Owned Businesses: Breaking the Boundaries*, DBIS & NFWBO.